

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-139-C - ORDER NO. 2006-8
JANUARY 13, 2006

IN RE: Application of 800 Response Information)	ORDER
Services, LLC for a Certificate of Public)	GRANTING
Convenience and Necessity to Provide Resold)	CERTIFICATE FOR
Long Distance Telecommunications Services)	INTEREXCHANGE
and for Alternative Regulation of its Long)	AUTHORITY AND
Distance Service Offerings.)	MODIFIED
)	ALTERNATIVE
)	REGULATION

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of 800 Response Information Services, LLC (“Information Services” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2004) and the general regulatory authority of the Commission. By its Application, Information Services also requests alternative regulation of its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C, and further requests waiver of certain Commission regulations.

The Commission's Docketing Department instructed Information Services to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the State affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Information Services and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Information Services complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or Protests were filed.

This Commission appointed Mr. David Butler as hearing examiner in this case in Order No. 2005-330, pursuant to the authority granted in S.C. Code Ann. Section 58-9-1020 (1976). Subsequent to the hearing in this matter and pursuant to 26 S.C. Code Ann. Regs. 103-865, Mr. Butler submitted a proposed order to the parties in this matter, and gave those parties ten days after receipt of that Order to file exceptions to the Order, briefs, or a request for oral argument before this Commission. No exceptions, briefs, or requests for oral argument were received. Accordingly, we will decide the matter based on the record of the case and the proposed Order as submitted by the hearing examiner.

A hearing was convened on November 28, 2005, at 10:00 a.m. in the offices of Garber Reporting Service, Columbia, South Carolina before hearing examiner Butler. Information Services was represented by Wolfgang Buchmaier, Esquire. Benjamin Mustian, Esquire, represented the Office of Regulatory Staff. Prior to the testimony being presented in the case, the parties announced a settlement of the issues in the case. The settlement agreement was entered into the evidence as Hearing Exhibit 1, and is attached hereto as Order Exhibit 1.

Two witnesses appeared before the hearing examiner via videoconference from Burlington, Vermont. Andy Montroll, Esquire, Corporate Counsel and Linda Young, Director of Operations for the Company both testified in support of the Application. Mr. Montroll noted that the Company was established on December 30, 2004, and that the Company had received certification from forty of the fifty states. The Company does not plan to seek certification in Alaska or Hawaii. Mr. Montroll noted that the Company has not had its certification revoked or suspended in any of the States in which it has been certificated. Further, Mr. Montroll testified that the Company intended to offer 800 numbers to business customers throughout the country.

Linda Young stated that the Company intends to provide inbound “800” toll free services via resale from WorldCom, and that the Company is authorized to do business in the State of South Carolina. Ms. Young stated that the Company is only interested in business customers, not residential customers. Further, Ms. Young testified that the Company has the managerial, technical, and financial qualifications to provide its services in South Carolina. The Company commenced operations on July 1, 2005, and is cash flow positive from existing operations. In addition, Ms. Young states that the Company’s provision of resold inbound 800 toll-free services to non-residential customers will serve the public interest by providing a competitive alternative to South Carolina customers. Ms. Young also testified that the Company is seeking modified alternative regulation of its services, and waivers of Commission regulations with regard to the location of books and records and the publication of a local directory. Information

Services also seeks to use “GAAP” as its accounting methodology instead of the Uniform System of Accounts.

After full consideration of the applicable law, the Company’s Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Information Services is organized as a limited liability company under the laws of the State of Vermont and is authorized to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. Information Services is currently licensed to operate as a telecommunications reseller in forty states.

3. Information Services desires to operate as a reseller of interexchange telecommunications services in South Carolina.

4. We find that Information Services possesses the managerial experience and capability to operate as a non-facilities based reseller of interexchange services in South Carolina.

5. We further find, based on the materials submitted by the Company, that Information Services possesses sufficient financial resources to provide the services as described in its Application.

6. We find that the issuance of a Certificate of Public Convenience and Necessity to Information Services to operate as a reseller of interexchange telecommunications services in South Carolina would be in the best interest of the

citizens of South Carolina by increasing the level of long distance competition in South Carolina, by providing an alternative of long distance service, and by increasing consumer awareness of options and services available, thereby encouraging growth and success of competitive services.

7. We find that the Settlement Agreement should be approved.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Information Services to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. With respect to Information Services' business services, the Commission adopts a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Information Services also. These alternative regulation orders were modified by

Order No. 2001-997 in Docket No. 2000-407-C which imposed a cap on operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected the local exchange carrier as their toll provider.

Pursuant to Order No. 2001-997, this Commission modified the alternative regulation by the re-imposition of rate caps with regard to certain operator assisted calls where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. The re-imposition of rate caps for certain operator assisted calls has led to alternative regulation now being known as "modified alternative regulation." The provisions of Order No. 2001-997 and the modification contained therein also apply to Information Services.

3. If it has not already done so by the date of issuance of this Order, Information Services shall file its revised tariff and an accompanying price list within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order, and the Company's Settlement Agreement with ORS, and, further shall be consistent with the Commission's Rules and Regulations.

4. Information Services is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Information Services shall resell the services of only those carriers authorized to do business in South Carolina by this Commission. If Information Services changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Information Services shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Information Services shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Information Services shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Information Services shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/reference/forms.asp. The title of this form is "Annual Report

Telecommunications Company.” This form shall be utilized by the Company to file annual financial information with the Commission and the Office of Regulatory Staff and shall be filed no later than **April 1st**. Commission gross receipts forms are due to be filed with the Commission and the Office of Regulatory Staff no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the website of the Office of Regulatory Staff, www.regulatorystaff.sc.gov., and the appropriate form is entitled “Gross Receipts Form.”

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and the Office of Regulatory Staff in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Information Services shall file the names, addresses and telephone numbers of these representatives with the Commission and the Office of Regulatory Staff within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/reference/forms.asp; this form shall be utilized for the provision of this information to the Commission. Further, the Company shall promptly notify the Commission in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. At the hearing, the Company requested a waiver of 26 Code Ann. Regs. 103-610 (1976), which requires that records required by the Commission's Rules and Regulations be maintained in South Carolina. The record reveals that Information Services' principal headquarters will be located in Vermont, and the Company requests permission to maintain its books and records at its headquarters. The Commission finds Information Services' requested waiver reasonable and understands the difficulty presented to the Company should the waiver not be granted. The Commission therefore grants the requested waiver that Information Services be allowed to maintain its books and records at its principal headquarters. However, Information Services shall make available its books and records at all reasonable times upon request by the Commission or the Office of Regulatory Staff and Information Services shall promptly notify both if the location of its books and records changes.

12. The Company also requests a waiver of 26 S.C. Code Ann. Regs. 103-631 (1976), which would seem to require it to publish a local exchange directory, since it is not going to offer local services. This is a reasonable request, and a waiver is hereby granted.

13. Information Services further requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (USOA). The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, Information Services maintains its book of accounts in accordance with Generally Accepted Accounting Principles (GAAP). GAAP is used

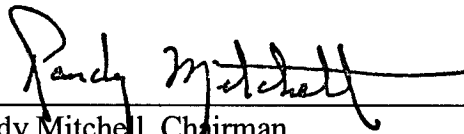
extensively by interexchange carriers. Moreover, Information Services asserts that because it utilizes GAAP, the Commission will have a reliable means by which to evaluate the Company's operations and assess its financial fitness. Accordingly, Information Services hereby requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

14. Each telecommunications company certified in South Carolina is required to file annually the Intrastate Universal Service Fund (USF) worksheet. This worksheet provides the Commission and the Office of Regulatory Staff information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed with both the Commission and the Office of Regulatory Staff annually no later than **August 15th**.

15. The Settlement Agreement is approved.

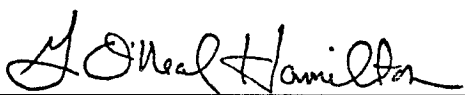
16. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice Chairman
(SEAL)

BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2005-139-C

November 23, 2005

IN RE:	Application of 800 Response Info.)	
	Services LLC for a Certificate of)	
	Public Convenience and Necessity)	
	To Provide Resold Long Distance)	
	Telecommunication Services and)	SETTLEMENT AGREEMENT
	Regulation of Its Long Distance)	
	Services)	
)	
)	
)	

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and 800 Response Info. Services, LLC ("800 Response" or "the Company") (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on May 6, 2005, 800 Response filed its application requesting a Certificate of Public Convenience and Necessity to provide resold long distance telecommunications services and for alternative regulation of its long distance service offerings pursuant to the procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;

WHEREAS, on June 13, 2005, the Public Service Commission of South Carolina (the "Commission") issued a notice of hearing and set return dates for the hearing in the above captioned matter scheduled to be heard before a Hearing Examiner on September 12, 2005;

WHEREAS, on July 12, 2005, the hearing set for September 12, 2005, was rescheduled by the Hearing Examiner for October 3, 2005;

WHEREAS, on September 9, 2005, 800 Response prefiled testimony of Linda Young with the Commission;

WHEREAS, on September 15, 2005, 800 Response filed a Motion to Present Witness Via Telephone;

WHEREAS, on September 20, 2005, the Parties agreed to and the Hearing Examiner granted a continuance of the October 3, 2005, hearing for the purposes of exploring the possibilities of utilizing video-conferencing for the hearing which was granted;

WHEREAS, on October 25, 2005, the Hearing Examiner issued a Notice of Rescheduled Hearing setting this matter for hearing on November 28, 2005;

WHEREAS, the purpose of this proceeding is to review the application filed by 800 Response and its request for a Certificate of Public Convenience and Necessity;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial and financial expertise of the company to provide such services;

WHEREAS, ORS has reviewed the application and the financial data provided by the 800 Response, and has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by 800 Response and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by 800 Response;

WHEREAS, as a result of its investigations, ORS has determined: a) 800 Response intends to provide resold inbound toll free interexchange telecommunications services in South Carolina; b) the officers of 800 Response possess sufficient technical and managerial abilities to adequately provide the services applied for; c) 800 Response has obtained the necessary equipment and fixtures to provide the services applied for; d) the president of 800 Response is providing the necessary funds to start the company and has sufficient net worth to do so; e) as

such, the financial ability of 800 Response to provide these services is adequate and the public interest is not jeopardized; f) certain revisions should be made to 800 Response's proposed tariffs in order to comply with Commission statutes and regulations; g) the services provided by 800 Responses will meet the service standards required by the Commission; h) the services to be offered by the Applicant will not adversely impact the availability of affordable local exchange service; i) to the extent it is required to do so by the Commission, 800 Response will participate in the support of universally available telephone service at affordable rates; and j) the provision of long distance services by 800 Response will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions;

1) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also stipulate to the pre-filed testimony of 800 Response Witness Linda Young who will be presented without cross-examination by ORS;

2) 800 Response agrees to submit into the record before the Commission revised tariffs in accordance with the ORS recommendations;

3) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide resold long distance telecommunications services;

4) ORS does not oppose the Company's request that all of its business service offerings be regulated as described in its application pursuant to the procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;

5) ORS does not oppose the Company's request to maintain its accounts in accordance with Generally Accepted Accounting Principles or its request for waiver of 26 S.C.

Code Ann. Regs. 103-610, 103-611, or other requirements which are not applicable to competitive providers such as 800 Response,

6) 800 Response agrees to resell the services of only those interexchange carriers authorized to do business in South Carolina by the Commission. 800 Response agrees to notify ORS and the Commission, in writing, if the Company changes underlying carriers;

7) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting;

8) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (added by Act 175). S.C. Code § 58-4-10(B)(1) through (3) reads in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

9) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any

Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

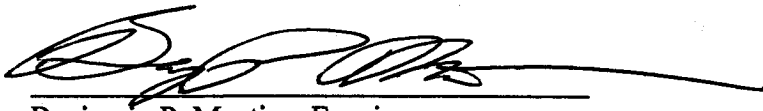
10) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair, or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty or obligation.

11) This Settlement Agreement shall be interpreted according to South Carolina law.

12) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing its counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

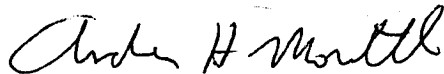
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WE AGREE:

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